

Application No. **81272**

**APPLICATION FOR PERMIT TO APPROPRIATE THE PUBLIC
WATERS OF THE STATE OF NEVADA**

THIS SPACE FOR OFFICE USE ONLY

Date of Filing in State Engineer's Office OCT 25 2011

Returned to applicant for correction _____

Corrected Application filed _____ Map filed MAY 21 1996 under 62156

The applicant White Caps Gold Mining, Inc.

38210 Primrose Lane of Squaw Valley
Street Address or P.O. Box City or Town

California, 93675 hereby make(s) application for permission to appropriate the
State and ZIP Code

public waters of the State of Nevada, as hereinafter stated. (If applicant is a corporation, give date and place of incorporation; if a copartnership or association, give names of members.)

State of Nevada, 10 April 2009

1. The source of water is Underground
Name of the stream, lake, underground, spring or other sources.

2. The amount of water applied for is 0.4456 cfs (200 gpm)
One second foot equals 448.83 gallons per minute.

(a) If stored in a reservoir give the number of acre-feet N/A

3. The water is to be used for Mining and Milling
Irrigation, power, mining, commercial, domestic or other use. Must be limited to one major use.

4. If use is for:

(a) Irrigation, state number of acres to be irrigated N/A

(b) Stockwater, state number and kind of animals N/A

(c) Other use (describe fully in No. 12) See No. 12

(d) Power:

(1) Horsepower developed N/A

(2) Point of return of water to stream N/A

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5. The water is to be diverted from its source at the following point: (Describe as being within a 40-acre subdivision of public survey, and by course and distance to a found section corner. If on unsurveyed land, it should be so stated.)

SE1/4 NW1/4 of Section 20, T08N, R44E, M.D.B. & M. or at a point from which the NW corner of said Section 20 bears N 55 degrees 22 minutes and 48 seconds W a distance of 2393.26 feet.

6. Place of use: (Describe by legal subdivision. If on unsurveyed land, it should be so stated)

NW 1/4 of Section 20, T08N, R44E M.D.B. & M.

7. Use will begin about 1 January and end about 31 December of each year.

Month and Day

Month and Day

8. Description of proposed works. (Under the provisions of NRS 535.010 you may be required to submit plans and specifications of your diversion or storage works.) (State manner in which water is to be diverted, i.e. diversion structure, ditches and flumes, drilled well with a pump and motor, etc.)

Drilled well, pump and motor, and piping infrastructure within the Place of Use

9. Estimated cost of works: \$10,000

10. Estimated time required to construct works: 2 years

(If the well is complete, describe works.)

11. Estimated time required to complete the application of water to beneficial use: 5 years

12. Provide a detailed description of the proposed project and its water usage (use attachments if necessary): (Failure to provide a detailed description may cause a delay in processing.)

The water will be used for dust suppression, milling purposes, and process water for the operation of the mine. Water will also be used for culinary purposes for mining personnel, for drinking water, and for rest room facilities, etc. Further discussion of the operation is provided in the attached narrative.

13. Miscellaneous remarks:

Please use the supporting map filed under application 62156 for the Point of Diversion and Place of Use. The Proposed Annual Duty will not exceed 322 acre-feet per annum. This is to replace 62156 that was cancelled in 1996.

mpdusenbury@minesgroup.com

E-mail Address

775 622-4741

Phone No.

Ext.

Matthew T. Dusenbury

Type or print name clearly

Signature, applicant or agent

The MINES Group, Inc.

Company Name

1325 Airmotive Way Ste 175U

Street Address or PO Box

Reno, NV 89502

City, State, ZIP Code

APPLICATION MUST BE SIGNED
BY THE APPLICANT OR AGENT

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THE MINES GROUP INC.

12 October 2011

State of Nevada Division of Water Resources
901 South Stewart Street, Suite 2002
Carson City, Nevada 89701

By: Mail

Attention: Mr. Jason King, State Engineer
State of Nevada – Division of Water Resources


Re: **White Caps Gold Mining, Inc. – Manhattan Mill Operation**
Application for Permit to Appropriate the Public Waters of the State of Nevada

Dear Mr. King:

Please find included in this package one bound copy of the completed Application for Permit to Appropriate the Public Waters of the State of Nevada, its associated narrative and drawings, and a check for the application fee of \$300. Please note that the Place of Use Map for this application is already on file with the Division of Water Resources under application number 62156 and was submitted to the Division by New Concept Mining and approved in 1996.

We look forward to working with you further on this application. Should you have any questions, please do not hesitate to call me at 775-622-4741.

Best regards,



Matthew P. Dusenbury
Environmental Specialist, The Mines Group, Inc.
On Behalf of White Caps Gold Mining, Inc.

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Distribution:

State of Nevada - NDWR	White Caps Gold Mining, Inc.
Jason King, State Engineer 1cc of paper documents	Bill Foster, Director Electronic Copy
File: Mines Group ShareFile Folders >> MINES Group Projects >> WCGM - White Caps Gold Manhattan Mill Project >> WGM - Water Rights Application Filename: WCGM-NDWR-Water-Rights-App-transmittal-ltr-mpd-111012.doc	

**White Caps Gold Mining, Inc.
Manhattan Mill
Application for Permit to appropriate the Public Waters of the
State of Nevada
Narrative Description of Project**

Prepared for:
White Caps Gold Mining Company, Inc.
8210 Primrose Lane
Squaw Valley, California 93675

State of Nevada
Division of Water Resources
901 South Stewart Street, Suite 2002
Carson City, Nevada 89701

Prepared by:
THE MINES GROUP INC.

1325 Airmotive Way, Suite 175U
Reno, Nevada 89502
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October 2011
Report File:
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Figure 2 General Area Map.	The mill and mining areas are located 6.8 miles east of the intersection of Nevada State Routes 376 and 377 and within one mile of the town of Manhattan, Nevada.	4

List of Drawings

WGM-004 – Mill Area General Layout and Facilities

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Whitecaps Gold Mining, Inc. – Manhattan Mill
Application for Permit to Appropriate the Public Waters of the State of Nevada

1 DESCRIPTION OF PROPOSED PROJECT

1.1 Overview

The Manhattan Mill will be operated to extract gold from historic mill and mining stockpiles and dumps, including a previously abandoned and pregnant heap leach facility, and tailings. Recovery of gold will be accomplished by a crushing and milling circuit followed by a carbon-in-pulp cyanide beneficiation process. Physical separation facilities to improve recovery may be added later in development. Following processing in the mill, tailings will be deposited in an adjacent tailings impoundment for permanent storage.

The Manhattan Mill will be operated 24 hours a day, 365 days a year. Estimated time to completion of mining is approximately four to six years. The project will chemically process less than 36,500 tons of ore per year pursuant to NAC 445A.232.2. The proposed mill facility is rated at 3 cubic yards per hour or approximately 5 tons per hour (100 to 120 tons per day) depending on the material.

The actual mining areas will be located in Sections 20 and 21, T08N, R44E.

The primary access route (Nevada State Route Highway 377) lies in Sections 8, 9, 10, 11, 13, 14, and 24, T08N, R43E, and Sections 19, and 20, T08N, R44E.

Regional and general vicinity location maps for the proposed operation are shown in Figures 1 and 2. Locations of all current and proposed or expanded facilities, including the water supply well the "April Fool well", are shown in Drawing WGM-004.

1.2 Process Water

Process water will be obtained from the April Fool Well located on the Dexter 13 patented claim, M.S. 2580, in Section 20, T. 8 N, R.44 E, MDB&M (Drawing WGM-004). This point of diversion along with the proposed place of use are identical to that submitted under application 62156 by New Concept Mining, Inc. to the Division of Water Resources in 1996.

Water will be pumped from the wells to a constant head fresh water tank via buried and unburied pipes from the April Fool Well. From the constant head tank, water is supplied to the milling circuit.

Anticipated water demand and usage is estimated to be approximately 125 gallons per minute at the mill. All pumps and pipelines are existing construction. It is anticipated that greater than 15 percent of water demand (approximately 20 gpm or more) will be fulfilled by reclaim solution from the tailings impoundment and milling operations. The remainder will be supplied as makeup water from the April Fool well. Additional water from the April Fool well will be used for dust suppression and miscellaneous uses on the mill site. The water to be used for dust suppression and elsewhere outside the mill does not include any process water or reclaim solution.

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Plan - Page 2

Whitecaps Gold Mining, Inc. – Manhattan Mill
Application for Permit to Appropriate the Public Waters of the State of Nevada

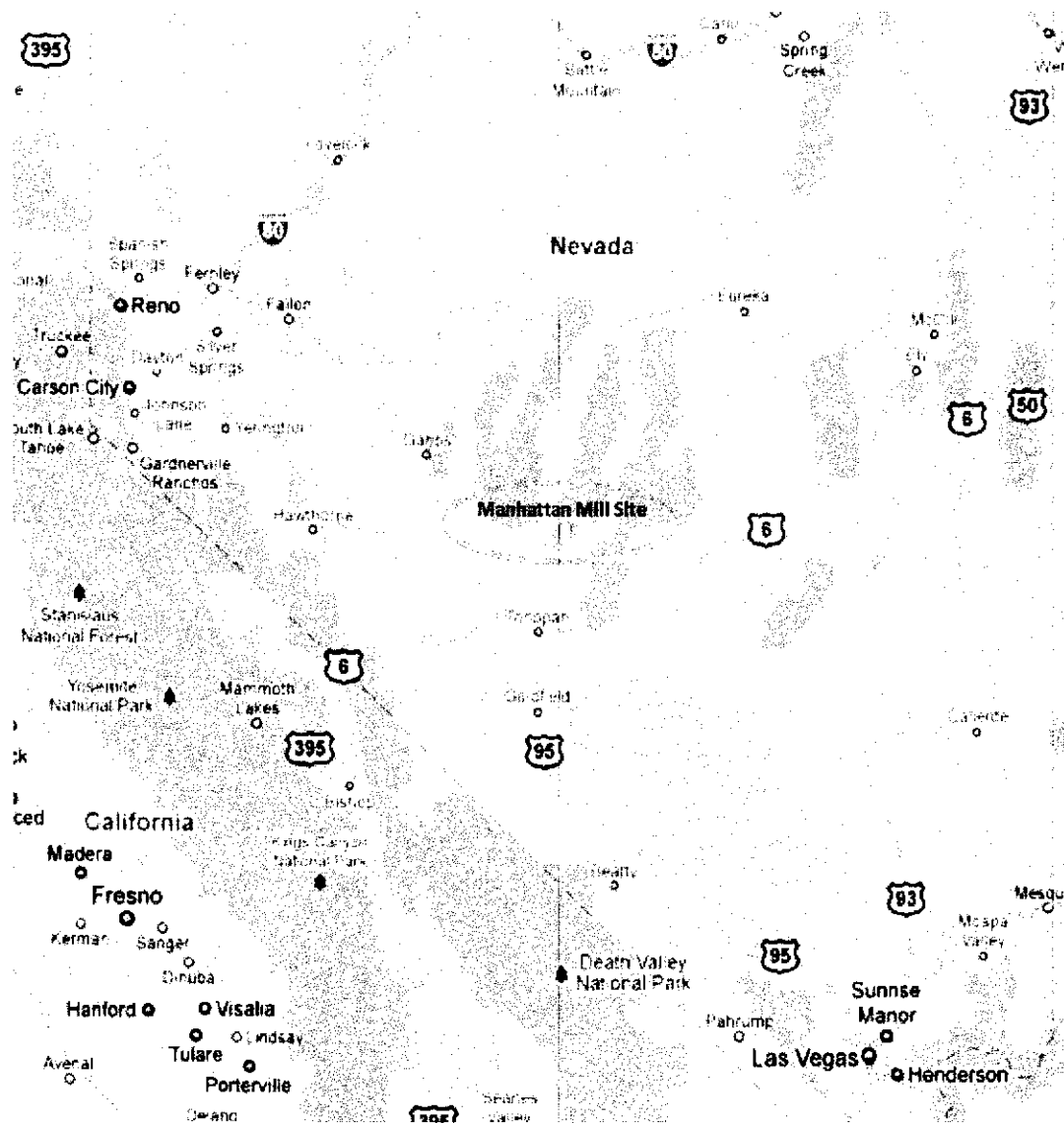


Figure 1 Vicinity Map. The Manhattan Mill is located in northern Nye County, approximately 35 miles north of the city of Tonopah along State Route 376.

Whitecaps Gold Mining, Inc. – Manhattan Mill
Application for Permit to Appropriate the Public Waters of the State of Nevada

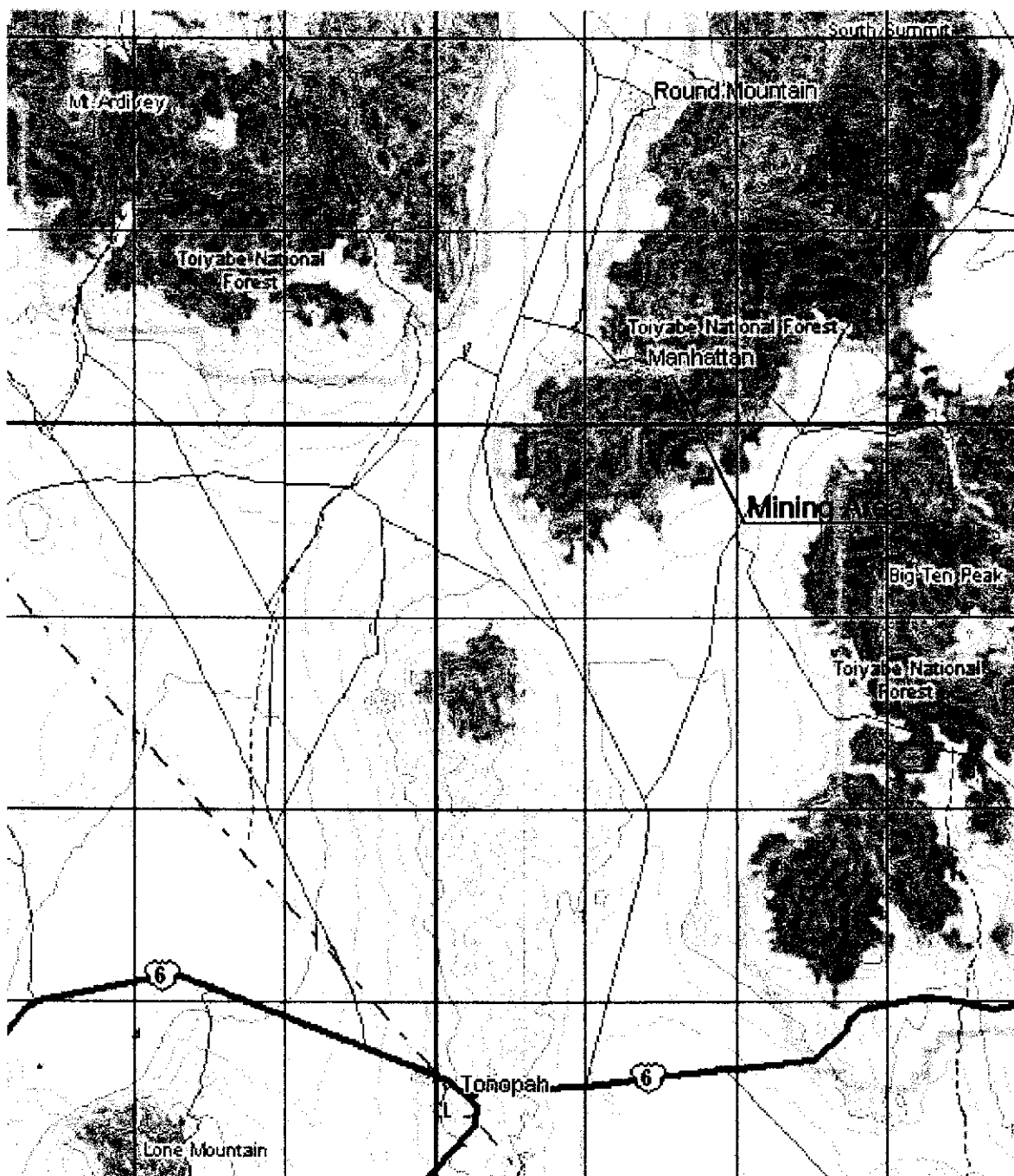
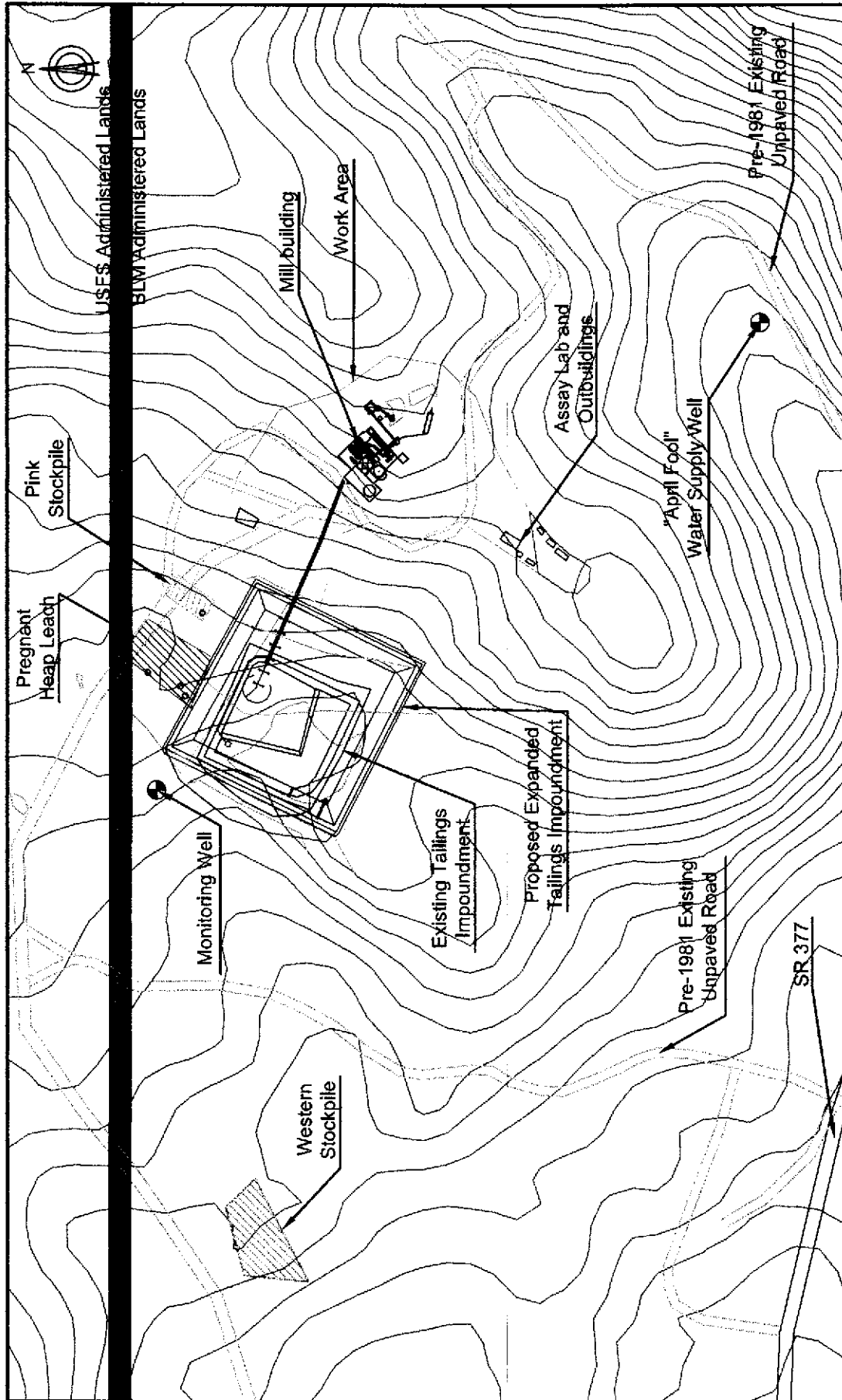


Figure 2 General Area Map. The mill and mining areas are located 6.8 miles east of the intersection of Nevada State Routes 376 and 377 and within one mile of the town of Manhattan, Nevada.

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Notes:
Contour Interval: 10 feet
Road features have been approximated based on USGS 1:10,000 topographic maps.
Existing tailings Impoundment drawn based on R. Gergen 2000 drawings. Existing tailings impoundment location approximated and not rectified to cadastral coordinates.

Prepared by:
THE MINES GROUP
1325 Altimotive Way
Reno, NV 89502

Prepared for:
White Caps Gold Mining, Inc.
38210 Primrose Lane
Squaw Valley, CA 93675

Scale: As Shown
Drawing No.: **WGM-004**

Scale: MFO
111001

Manhattan Mill Project
Mill Area
General Layout & Facilities

0 100 200 300 400
SCALE - FEET

For conceptual purposes only, not for final design.